

FISCAL NOTE

SB 1464 – HB 2074

March 31, 2007

SUMMARY OF BILL: Permits students not initially eligible to receive a HOPE scholarship if after the semester in which the student has attempted 72 or 96 semester hours, the student earns the requisite grade point average required to maintain the scholarship had such student been initially eligible and is otherwise qualified.

ESTIMATED FISCAL IMPACT:

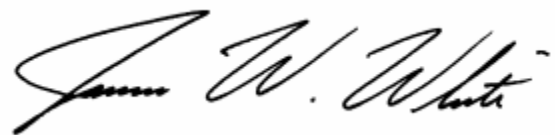
Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$4,047,000 in FY07-08 and by \$4,453,600 in FY08-09.

Assumptions:

- In 2005 there were 6,879 graduates who did not achieve a high school GPA of 3.0 and scored less than 21 on the ACT. Of this cohort, there were 1,077 students who had a college GPA between 2.75 and 2.99 after attempting 24 semester hours.
- It is assumed that 50% or 539 students will meet the GPA requirement after attempting 72 semester hours.
- There were also 658 students who achieved a GPA of 3.0 or above after attempting 24 semester hours. This assumes that 80% or 526 of these students will meet the GPA requirement after attempting 72 semester hours.
- The total of these two cohorts is 1,065 students. (539 + 526)
- The first year increase is estimated to be \$4,047,000. (1,065 students x \$3,800)
- The second year increase is estimated to be \$4,453,600. (1,172 x \$3,800)
- A 10% increase in recipients is estimated for year two.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director